



FOSTER PARENTS LIABILITY
FGL DS01 03 10

Statutory Office: 1013 Centre Road, Wilmington DE. 19805
Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241
(800) 305-4954

FOSTER PARENTS LIABILITY DECLARATIONS

POLICY NUMBER: 99A3GL1000225-03

RENEWAL OF: 99A3GL1000225-02

POLICY ADMINISTRATOR NAME AND ADDRESS L.F.P. OF THE DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES P.O. BOX 8005 HELENA, MT 59604	Program Administrator's Name and Mailing Address: Risk Placement Services, Inc. C/O National Insurance Professionals Corporation Poulsbo, WA 98370-0834 Licensed Surplus Lines Producer: Risk Placement Services, Inc. C/O National Insurance Professionals Corporation Poulsbo, WA 98370-0834
NAMED INSURED: <u>LICENSED FOSTER PARENTS OF L.F.P. OF THE DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES</u>	
MAILING ADDRESS: <u>301 SOUTH PARK AVENUE, 5TH FL</u> <u>Helena, MT 59601</u>	
POLICY PERIOD: FROM <u>9/1/2011</u> TO <u>9/1/2012</u> AT 12:01 a.m. time at the Policy Administrator's address shown above	

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH THE POLICY ADMINISTRATOR THAT WE WILL PROVIDE THE INSURANCE
AS STATED IN THIS POLICY.**

LIMITS OF INSURANCE		
Coverage A - Each Occurrence Limit	\$300,000	
Coverage B - Property Damage Each Act Limit	\$20,000	Any one person or organization
Coverage C Defense Expenses Per Household Limit	\$100,000	Any one occurrence
Policy Aggregate Limit - Coverage A, B, And C	\$3,000,000	
Deductible - Coverage B - for insured owned property	\$250	each act

RETROACTIVE DATE
This Insurance Does Not Apply To "Bodily Injury" Or "Property Damage" Or Coverages B & C Acts Which Occur Before The Retroactive Date, If Any, Shown Below. If there is no entry below, the Retroactive Date is the policy inception date.
RETROACTIVE DATE: <u>09/01/2007</u>

This policy is issued in an unauthorized insurer under The Surplus Lines Insurance
Law, under a surplus lines insurance producer's license No. 931524 and it is NOT
covered by the property and casualty guaranty fund of this state if the unauthorized
insurer becomes insolvent.

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Inc., with its permission.

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THIS POLICY CONSISTS OF THE FOLLOWING COVERAGES FOR WHICH A PREMIUM IS INDICATED.

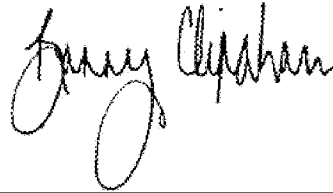
	PREMIUM
Coverage A - Bodily Injury and Property Damage Liability	\$107,625.00
Coverage B - Property Owned by or in the Care, Custody and Control of an Insured	\$INCLUDED
Coverage C - Abuse or Molestation, Willful Neglect and Corporal Punishment Defense Extension	\$INCLUDED
TOTAL:	\$107,625.00
SURCHARGES AND FEES:	
TOTAL PREMIUM:	\$107,625.00

ENDORSEMENTS**ENDORSEMENTS ATTACHED TO THIS POLICY:**

FGL DS01 03 10, PESMP DS 01a 10 07, FGL 0001 03 10, FGL 0002 08 07, FGL 0003 02 10,
FGL 0007 02 10, SLSOP 05 02, IL 0167 09 08, IL 0243 09 07, CG 2170 01 08, IL 0985 01 08

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned: Aug 31, 2011



(Date)

(Authorized Representative)

(Date)

Licensed Producer Signature, if required by law

AUTHORIZED REPRESENTATIVES

By:

President

By:



Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SURPLUS LINES TAX AND FEE SUPPLEMENTAL SCHEDULE

SCHEDULE

STATE: MT		Amount
Premium		\$107,625.00
Surplus Lines Tax		\$2,959.69
Stamping Fee		\$538.13
STATE: _____		
Premium		
Surplus Lines Tax		
Surplus Lines Fee		

FOSTER PARENTS LIABILITY COVERAGE FORM

THIS IS CLAIMS-MADE COVERAGE
PLEASE READ THE ENTIRE FORM CAREFULLY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to each "foster parent". The words "we", "us" and "our" refer to the Company providing this insurance.

The word insured means any person or organization qualifying as such under the Who Is An Insured section of each coverage.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section II – Limits Of Insurance And Deductibles; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
 - (3) A "claim" for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with Paragraph c. below, during the policy period or the Basic Extended Reporting Period we provide under Section IV – Extended Reporting Periods.
- c. A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
 - (2) When we make settlement in accordance with Paragraph 1.a. above.

All "claims" for damages because of "bodily injury" to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury", will be deemed to have been made at the time the first of those "claims" is made against any insured.

All "claims" for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those "claims" is made against any insured.

Continuous or repeated exposure to substantially the same general harmful conditions will be considered one "occurrence". Acts, errors or omissions that are causally connected by common facts, circumstances, transactions, events and/or decisions will be considered one "occurrence". All such exposure or acts, errors or omissions will be considered to have occurred at the time the first of such exposure or acts, errors or omissions occurred.

2. Exclusions

This insurance does not apply to:

a. Criminal, Dishonest or Fraudulent Acts

Any "bodily" injury or "property damage" arising out of any dishonest, fraudulent, criminal or malicious act, error or omission committed by an insured, including the willful or reckless violation of any penal statute or law.

Any loss, cost, or expense due any person or organization arising from any criminal, fraudulent, dishonest or malicious act or omission of an insured.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

c. Breach Of Contract

"Bodily injury" or "property damage" arising out of a breach of contract.

d. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

e. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured.
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or

- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

f. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent; or

- (2) A watercraft not owned by any insured that is:

- (a) Less than 26 feet long; and
- (b) Not being used to carry persons or property for a charge.

g. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

h. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

i. Damage To Property

"Property damage" to:

- (1) Property any insured owns, rents, or occupies, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to any insured;
- (4) Personal property in the care, custody or control of any insured.

j. Business Pursuits

"Bodily injury" or "property damage" arising out of the "business" pursuits of any "insured". For the purposes of this policy, foster care services performed on behalf of the "Policy Administrator" are not considered business pursuits.

k. Abuse, Molestation, Willful Neglect, Corporal Punishment

"Bodily injury" or "property damage" arising out of:

- (1) The actual or threatened abuse, molestation willful neglect or corporal punishment by anyone of any person;
- (2) The failure of any insured or anyone else for whom an insured is responsible for to prevent or suppress any such actual or threatened behavior; or
- (3) The negligent:
 - (a) Employment;
 - (b) Investigation;
 - (c) Supervision;
 - (d) Reporting to the proper authorities, or failure to so report; or
 - (e) Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph (1) above.

l. Professional Liability

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services of any nature. Foster care services do not constitute professional services.

m. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an insured.

n. Punitive Damages, Taxes, Fines, Penalties, Uninsurable Matters

- (1) Punitive damages, exemplary damages, the multiplied portion of multiplied damages;
- (2) Taxes;
- (3) Civil or criminal fines or penalties imposed by law; or
- (4) Matters that are uninsurable pursuant to applicable law.

o. Workers Compensation And Similar Laws

"Bodily injury" to a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

p. Employer's Liability

"Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

q. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

r. Electronic Data

"Bodily injury" or "property damage" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

s. Personal Injury

"Bodily injury" arising out of "personal injury".

t. Electronic Chatrooms Or Bulletin Boards

"Bodily injury" or "property damage" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

u. Knowing Violation Of Rights Of Another

"Bodily injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "bodily injury".

v. Lead Or Asbestos

Injury arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of or presence of lead or asbestos; or

Any loss, cost or expense arising, in whole or in part, out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of lead or asbestos.

w. Fungi Or Bacteria

Injury arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of or presence of "fungi" or bacteria; or

Any loss, cost or expense arising, in whole or in part, out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of "fungi" or bacteria.

x. Prior Acts

"Bodily injury" or "property damage" arising out of an "occurrence" that occurred before the Retroactive Date, if any, shown in the Declarations.

y. Claims or Circumstances Reported to Prior Insurers

"Bodily injury" or "property damage" based upon, attributable to, or arising out of the same facts or "occurrence":

- (1) Alleged or contained in any "claim" which has been reported to any insurance carrier; or
- (2) Any circumstances of which notice has been given to any insurance carrier.

3. Who Is An Insured

The licensed individual "foster parent" and their spouse are insureds, but only with respect to foster care services performed on behalf of the "Policy Administrator". The "Policy Administrator" is not an insured. The following are included as insureds:

- a. Your relatives who are residents of your household, but only with respect to foster care services performed on behalf of the "Policy Administrator";
- b. "Foster children" while in your custody and control;
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

COVERAGE B PROPERTY OWNED BY OR IN THE CARE, CUSTODY AND CONTROL OF AN INSURED

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages for "property damage", to property owned, rented or occupied by an insured or in the care, custody or control of an insured, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section II – Limits Of Insurance And Deductibles; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "property damage" only if it is caused by an act of the "foster child", and only if:

- (1) The act was committed in the "coverage territory";
- (2) The act was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- (3) A "claim" for damages because of the "property damage" is first made against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section IV – Extended Reporting Periods.

- c. A "claim" made by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above.

All "claims" for damages because of "property damage" to the same person or organization as a result of an act of the "foster child" will be deemed to have been made at the time the first of those "claims" is made against any insured.

Continuous or repeated exposure to substantially the same general harmful conditions will be considered one act. Acts that are causally connected by common facts, circumstances, transactions, events and/or decisions will be considered one act. All such acts will be considered to have occurred at the time the first of such acts occurred.

2. Exclusions

This insurance does not apply to:

a. Criminal, Dishonest or Fraudulent Acts

"Property damage" arising out of any dishonest, fraudulent, criminal or malicious act, error or omission committed by an insured, including the willful or reckless violation of any penal statute or law.

Any loss, cost, or expense due any person or organization arising from any criminal, fraudulent, dishonest or malicious act or omission of an insured.

b. Intentional Acts

"Property damage" resulting from an intentional act.

c. Bodily Injury

"Bodily injury".

d. Pollution

"Property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

e. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

f. Professional Liability

"Property damage" arising out of the rendering of or failure to render professional services of any nature. Foster care services do not constitute professional services.

g. Aircraft, Auto Or Watercraft

"Property damage" arising out of the ownership, maintenance, use, or entrustment to others, of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to or in the care, custody or control of any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the act which caused the "property damage" involved the ownership, maintenance, use, or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to or in the care, custody or control of any insured.

3. Who Is An Insured

The licensed individual "foster parent" and their spouse are insureds, but only with respect to foster care services performed on behalf of the "Policy Administrator". The "Policy Administrator" is not an insured. The following are included as insureds:

- a. "Foster children" while in your custody and control.

COVERAGE C - ABUSE OR MOLESTATION, WILLFUL NEGLIGENCE AND CORPORAL PUNISHMENT DEFENSE EXTENSION

1. Insuring Agreement

- a. We will defend an insured against a covered civil suit arising out of alleged abuse, molestation, willful neglect or corporal punishment until either a judgment or final adjudication establishes the insured committed such act, the insured confirms they committed such act, the insured is convicted of such act in criminal court, or the limit for this extension is exhausted as set forth in Section II - Limits Of Insurance And Deductibles.
- b. This extension applies only if:
 - (1) The alleged abuse, molestation, willful neglect or corporal punishment takes place in the "coverage territory";

- (2) The alleged abuse, molestation, willful neglect or corporal punishment did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- (3) A "claim" for damages because of the alleged abuse, molestation, willful neglect or corporal punishment is first made against any insured, in accordance with Paragraph c. below, during the policy period or the Basic Extended Reporting Period we provide under Section IV – Extended Reporting Period.

- c. A "claim" by a person or organization seeking damages will be deemed to have been made when notice of such "claim" is received and recorded by any insured or by us, whichever comes first.

- d. Acts of abuse, molestation, willful neglect or corporal punishment that are

- (1) causally connected by common facts, circumstances, transactions, events and/or decisions; or

- (2) committed or participated in by the same person or group

will be considered one "occurrence". All such acts will be considered to have occurred at the time the first of such acts occurred.

2. Exclusions

This insurance does not apply to:

a. Damages

Damages for "bodily injury, "property damage", "personal injury" or any other injury.

3. Who Is An Insured

The licensed individual "foster parent" and their spouse are insureds, but only with respect to foster care services performed on behalf of the "Policy Administrator". The "Policy Administrator" is not an insured. The following are included as insureds:

- a. Your relatives who are residents of your household, but only with respect to foster care services performed on behalf of the "Policy Administrator".
- b. "Foster children" while in your custody and control.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

We will pay, with respect to any "claim" we investigate or settle or any "suit" against an insured we defend under Coverages **A** and **B**:

1. All expenses we incur.
2. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

These payments will not reduce the limits of insurance.

SECTION II – LIMITS OF INSURANCE AND DEDUCTIBLES

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits".
2. The Policy Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**;
 - b. Damages under Coverage **B**; and
 - c. Defense expenses under Coverage **C**.
3. Subject to **2.** above, the Coverage B Property Damage Each Act Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "property damage" arising out of any one act of a "foster child" or "foster children".
4. Subject to **2.** above, the Coverage A Each Occurrence Limit is the most we will pay for the sum of damages under Coverage **A** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to **2.** above, the Coverage C Defense Expenses Per Household Limit is the most we will pay for all defense expenses under Coverage **C** incurred for any one "foster household".

6. Deductible

Our obligation to make payments under Coverage **B** for property owned by an insured applies only to the amount in excess of the Deductible amount shown in the Declarations. The Deductible applies to each act.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION III – FOSTER PARENTS LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate or of the "Policy Administrator" will not relieve us of our obligations under this Policy.

2. Duties In The Event Of Occurrence, Act, Claim Or Suit

a. You or the "Policy Administrator" must see to it that we are notified as soon as practicable of an "occurrence" which may result in a "claim". To the extent possible, notice should include:

- (1) How, when and where the "occurrence" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence".

Notice of an "occurrence" is not notice of a "claim".

b. If a "claim" is received by any insured, you or the "Policy Administrator" must:

- (1) Immediately record the specifics of the "claim" and the date received; and
- (2) Notify us as soon as practicable.

You or the "Policy Administrator" must see to it that we receive written notice of the "claim" as soon as practicable.

c. You and any other involved insured and the "Policy Administrator" must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or a "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured or the "Policy Administrator" will, except at that insured's or the "Policy Administrator's" own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

For Coverages **A** and **C** of this Coverage Part, if any loss other than total "property damage" of \$250.00 or less resulting from any "claim" is insured by any other valid policy, then this policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written specifically excess of this policy by reference in such other policy to this policy's policy number.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

For Coverage **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. If this insurance is primary, our obligations are not affected unless any other insurance is also primary. Then, we will share with all that other insurance by the method described in **b.** below.

b. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representations

By accepting this policy, you and the "Policy Administrator" agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you or the "Policy Administrator" made to us; and
- c. We have issued this policy in reliance upon your and the "Policy Administrator's" representations.

6. Separation Of Insureds

Except with respect to the Limits Of Insurance And Deductibles and any rights or duties specifically assigned in this Policy to the insureds or to the "Policy Administrator", this insurance applies:

- a. As if each insured were the only insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

7. Transfer Of Rights Of Recovery Against Others To Us

If the insured or the "Policy Administrator" has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured or the "Policy Administrator" must do nothing after loss to impair them. At our request, the insured or the "Policy Administrator" will bring "suit" or transfer those rights to us and help us enforce them.

8. When We Do Not Renew

If we decide not to renew this Policy, we will mail or deliver to the "Policy Administrator" shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

Such Notice to the "Policy Administrator" will result in nonrenewal of this policy on your behalf. It is the responsibility of the "Policy Administrator" to notify you properly of such nonrenewal. Any failure by the "Policy Administrator" to do so will have no effect on the nonrenewal of this policy.

9. Policy Administrator

This contract is with the "Policy Administrator", but they are not an insured under this policy. We have no obligation under this policy to pay for any damages, "property damage" or any other expenses for the "Policy Administrator" or to provide defense for the "Policy Administrator".

SECTION IV – EXTENDED REPORTING PERIOD

1. We will provide a Basic Extended Reporting Period, as described below, if:

- a. This Policy is canceled or not renewed; or
- b. We renew or replace this Policy with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - (2) Does not apply to "bodily injury" or "property damage" on a claims-made basis.

2. The Basic Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for "bodily injury" or "property damage" that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, the Basic Extended Reporting Period may not be canceled.

3. The Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 24 months.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

SECTION V – DEFINITIONS

1. "Auto" means:

- a. A land motor vehicle, motorized land conveyance, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle or motorized land conveyance that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include the following:

- a. "Mobile equipment";
 - b. A trailer not towed by or carried on a land motor vehicle or motorized land conveyance;
 - c. A motorized land conveyance designed for recreational use or public roads, not subject to motor vehicle registration and;
 - (1) Not owned by an insured; or
 - (2) Owned by an insured and on premises you own or rent;
 - (3) A motorized golf cart when used to play golf on a golf course; or
 - (4) A motorized vehicle or motorized land conveyance not subject to motor vehicle registration which is:
 - (a) used to service your premises;
 - (b) designed for assisting the handicapped; or
 - (c) in dead storage on your premises.
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person including mental anguish, emotional distress, humiliation or death resulting from bodily injury, sickness or disease.
3. "Business" means:
- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b. Any other activity engaged in for money or other compensation, except for volunteer activities for which no money is received other than payment for expenses incurred to perform the activity.
4. "Claim" means a demand, including a "suit", for payment of damages.
5. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada; or
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above.

6. "Foster child" or "foster children" means a person(s) who has been placed in your care and custody by the "Policy Administrator" shown in the Declarations of this policy.

7. "Foster household" means an individual "foster parent" and their spouse and those persons who qualify as insured members of the individual "foster parent's" household.

8. "Foster parent" means the licensed individual who extends foster family care under the authority of the "Policy Administrator" shown in the Declarations.

9. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

10. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles not described in a. or b. above maintained primarily for purposes other than the transportation of persons or cargo.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

12. "Occurrence" means an act, error or omission of an insured.

13. "Personal injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy.
- 14.** "Policy Administrator" means that entity shown in the Declarations which certifies or licenses "foster parents".
- 15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 16.** "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 17.** "Spouse" includes a partner under a recognized civil union.
- 18.** "Suit" means a civil proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – NUCLEAR ENERGY LIABILITY

This endorsement modifies insurance provided under the following:

FOSTER PARENTS LIABILITY COVERAGE PART

1. The following exclusion is added to all coverage parts:

This insurance does not apply to any injury, "loss", defense expense", cost, or "claim" based upon, arising out of, attributable to or directly or indirectly resulting from nuclear projects, nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition related to the foregoing, regardless of cause.

COMMON POLICY CONDITIONS

This endorsement modifies insurance provided under the following:

FOSTER PARENTS LIABILITY COVERAGE PART

A. Cancellation

1. The "Policy Administrator" shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the "Policy Administrator" written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the "Policy Administrator's" last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the "Policy Administrator" any premium refund due. If we cancel, the refund will be pro rata. If the "Policy Administrator" cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. Such Notice to the "Policy Administrator" will result in cancellation of this policy on your behalf. It is the responsibility of the "Policy Administrator" to notify you properly of such cancellation. Any failure by the "Policy Administrator" to do so will have no effect on the cancellation of this policy.

B. Changes

This policy contains all the agreements between the "Policy Administrator", you and us concerning the insurance afforded. The "Policy Administrator" is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit the "Policy Administrator's" and your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you or the "Policy Administrator" reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this Condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this Condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The "Policy Administrator" shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

The "Policy Administrator's" or your rights and duties under this policy may not be transferred without our written consent.

G. Loss Covered Under More Than One Coverage Form Of This Policy

If the same loss is covered under two or more coverage forms contained in this policy, the aggregate maximum Limit of Insurance under all the Coverage Forms shall not exceed the highest applicable Limit of Insurance under any one Coverage Form. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – TRAMPOLINES

This endorsement modifies insurance provided under the following:

FOSTER PARENTS LIABILITY COVERAGE PART

The following exclusion is added to Item **2. Exclusions** under **SECTION I – COVERAGES** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

This insurance does not apply to any "bodily injury", defense expenses, "claim" or "suit" arising out of or in any way attributable to the ownership, maintenance or use of trampolines.



Date Issued:

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein. (The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

INSURED _____

Policy No. _____

Endorsement Effective _____
(12:01 A.M.)

Countersignature _____
(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

This Policy is subject to the following:

SERVICE OF PROCESS ENDORSEMENT

This endorsement specifies that:

We designate the Superintendent of Insurance, Insurance Commissioner, Director of Insurance, or other officer specified by law, pursuant to the laws of the State where this policy is delivered, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted in the State in which this policy is delivered, by, or on behalf of, the Named Insured or any beneficiary hereunder arising out of this Policy. We designate the General Counsel of The Princeton Excess and Surplus Lines Insurance Company, 555 College Road East, Princeton, New Jersey 08543 as the person to whom the said officer is authorized to mail such process or true copy thereof.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MONTANA CHANGES – CONFORMITY WITH STATUTES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. The following Condition is added:

Conformity with Montana statutes. The provisions of this policy or Coverage Part conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which you reside on or after the effective date of this policy or Coverage Part.

However, with respect to insurance provided under the Commercial Automobile Coverage Part, while a covered "auto" is away from Montana:

1. We will increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
2. We will provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.
3. No one will be entitled to duplicate payments for the same elements of loss.

B. Any provision of this policy or Coverage Part (including endorsements which modify the policy or Coverage Part) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MONTANA CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** With respect to other than the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Of Policies

a. Midterm Cancellation

We may cancel this policy based on the provisions below, by mailing or delivering written notice to the first Named Insured at least 10 days before the effective date of cancellation:

- (1)** If this policy has been in effect for less than 60 days, except as provided in Paragraph **2.a.(3)** below, we may cancel for any reason.
- (2)** If this policy has been in effect for 60 days or more, we may cancel this policy prior to the expiration of the agreed term or prior to one year from the effective date of the policy or renewal, whichever is less, only for one or more of the following reasons:
 - (a)** Failure to pay a premium when due;
 - (b)** Material misrepresentation;
 - (c)** Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;

- (d)** Substantial breaches of contractual duties, conditions or warranties;

- (e)** Determination by the Commissioner of Insurance that continuation of the policy would place us in violation of the Montana Insurance Code;

- (f)** Financial impairment of us; or

- (g)** Such other reasons that are approved by the Commissioner of Insurance.

- (3)** If this policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consideration, we may cancel this policy only for one or more of the reasons stated in Paragraph **2.a.(2)** above.

b. Anniversary Cancellation

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 45 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

B. With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Of Policies

a. Midterm Cancellation

- (1) We may cancel this policy for nonpayment of premium by mailing or delivering written notice of cancellation to the first Named Insured at least 20 days before the effective date of cancellation.
- (2) We may cancel this policy based on the reason(s) stated in Paragraph **2.a.(2)(a)** or **(2)(b)** by mailing or delivering written notice of cancellation to the first Named Insured at least 45 days before the effective date of cancellation:
 - (a) If this policy has been in effect for less than 60 days, except as provided in Paragraph **2.a.(3)**, we may cancel for any reason.
 - (b) If this policy has been in effect for 60 days or more, we may cancel this policy prior to the expiration of the agreed term or prior to one year from the effective date of the policy or renewal, whichever is less, only for one or more of the following reasons:
 - (i) Material misrepresentation;
 - (ii) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
 - (iii) Substantial breaches of contractual duties, conditions or warranties;
 - (iv) Determination by the Commissioner of Insurance that continuation of the policy would place us in violation of the Montana Insurance Code;
 - (v) Financial impairment of us; or
 - (vi) Such other reasons that are approved by the Commissioner of Insurance.

- (3) If this policy has been issued for a term longer than one year, and if either the premium is prepaid or an agreed term is guaranteed for additional premium consideration, we may cancel this policy only for one or more of the reasons stated in Paragraph **2.a.(2)(b)** by mailing or delivering written notice to the first Named Insured at least 45 days before the effective date of cancellation.

b. Anniversary Cancellation

We may cancel any policy with a term of more than one year by mailing or delivering to the first Named Insured written notice of cancellation at least 45 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

C. Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund. However, when a financed insurance policy is cancelled, we will send any refund due to the premium finance company on a pro rata basis.

D. Any **When We Do Not Renew** Condition is deleted.

The following **When We Do Not Renew** Condition is added:

1. If we elect not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations and agent, if any, a notice of intention not to renew at least 45 days before the agreed expiration date.
2. We need not mail or deliver this notice if:
 - a. You have purchased insurance elsewhere;
 - b. You have accepted replacement coverage;
 - c. You have requested or agreed to nonrenewal; or
 - d. This policy is expressly designated as nonrenewable.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$ INCLUDED

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Additional information, if any, concerning the terrorism premium:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.